

# STATE OF IDAHO – DIVISION OF PURCHASING

## PROCEDURES FOR LEASING INFORMATION TECHNOLOGY EQUIPMENT

Revised Version – Dated January 8, 2007  
Rev B.

Master Lease Agreement Information	Lessor:
Contract No. SBPO 1202	Eplus Group, Inc.
Contract Administrator:	13595 Dulles Technology Drive
Gregory Lindstrom	Herndon, VA 20171-3413
Email – <a href="mailto:gregory.lindstrom@adm.idaho.gov">gregory.lindstrom@adm.idaho.gov</a>	Sandra Lewis – Ph: 703-984-8172 (Direct) or
	Toll free 888-482-1122
	Fax: 703-984-8600
	Email – <a href="mailto:slewis@eplus.com">slewis@eplus.com</a>

The State of Idaho through its Division of Purchasing has established a statewide Master Lease Agreement (Master Agreement) for information technology (IT) equipment and associated maintenance and services. Both State agencies and public agencies may utilize the contract.

The purpose of this document is to establish procedures for initiating leasing schedules through the statewide Master Agreement. These procedures are for use by all state agencies when developing leases for IT equipment ordered from existing statewide Information Technology contracts.

Schedules may be established for twelve (12), twenty-four (24) or thirty-six (36) month payment periods with payment frequency options of monthly, quarterly, semi-annual or annual. Rent payments may be made conventionally (state warrant or EFT processed through the State Controller's Office) or by use of the State's Purchasing Card (MasterCard) – a slightly more expensive periodic payment option but having significant administrative savings.

At the end of the Schedule term, the equipment will be returned to the Lessor (ePlus Group, Inc.) – this is an operating lease only. Any missing equipment or equipment not properly accounted for will subject the State Agency to paying the vendor the applicable Casualty Value (approximately 80% of the purchase price for a three year lease). The Lessor retains title to the equipment at all times. There are no options (such as purchase, equipment refreshment, or renewals) available at the end of a Schedule term. If the Master Agreement is still in effect at the end of a Schedule term, the agency may select new equipment and lease it through the Master Agreement.

**Overview:** The Master Agreement provides a framework enabling agencies to order equipment from existing statewide Information Technology contracts, have the Lessor issue the purchase order to the State's equipment provider, and then after agency acceptance, the agency makes periodic Rent payments to the Lessor. Optionally, with Lessor's prior approval, individual agency non-contract acquisitions may also be placed on a Schedule.

When the equipment is delivered, the agency has ten (10) business day to accept the equipment. At that time, the agency must complete the Acceptance Certificate, and forward all documents to the Lessor. No later than the last day of the month following acceptance, the first periodic payment is due and payable. Payments not received by the Lessor within ten (10) calendar days after the due date will be subject to substantial late fees. Following acceptance, there is an absolute obligation to pay the Rent amount. The payments shall not be subject to any abatement, reduction set-off, defense, counterclaim, or recoupment request whatsoever.

The Master Agreement is a contract for leasing services only – the Lessor does NOT provide any other services under this contract (such as installation, consulting, or maintenance of equipment).

**Documents Incorporated by Reference:** The Special Terms and Conditions of the Master Agreement and the State's STANDARD CONTRACT TERMS AND CONDITIONS (trintrnt.doc – Rev 3/23/99) found within Statewide Contract # SBPO 1202 (formerly SBPO 169) dated July 5, 2001 are fully incorporated by reference as though herein set out in full. They are also included by reference in each and every Schedule executed pursuant to Statewide Contract SBPO 1202.

The Master Agreement contains many special terms and conditions, including a definitions section. These definitions have specific meanings within the context of the Master Agreement and are also used within this procedure document. State Agencies are encouraged to read these definitions and the accompanying Master Agreement. The Master Agreement's terms and conditions will fully bind State Agencies.

The Master Agreement also includes an asset management software program called Manage<sup>+</sup> that may be used by all State Agencies leasing equipment. It is a 24/7 Web-enabled asset management database. The program includes information elements for assets, location, cost centers, maintenance, invoice, and financial plus comprehensive query and reporting capabilities. The Lessor will automatically load detailed asset information from orders placed on lease into Manage<sup>+</sup> and the State Agency can update with moves and changes.

**General Procedures:** Prior to a State Agency's first order under this Master Agreement, the State Agency shall furnish satisfactory evidence to the Lessor of authority to sign Master Agreement associated documents. The Agency Authorized Signature Certificate (Attachment C) included in these procedures may be used for this purpose.

- A. Initial Ordering of Equipment:** The State Agency shall determine the equipment and services required from the agency selected equipment vendor, the quantities, and the purchase prices. This information will be transferred to an Asset Schedule (similar to Attachment A) and incorporated into the State or Public Agency purchase order to the Lessor. The State Agency shall also complete and send to the Lessor with their purchase order a completed Agency Invoicing Information Form (Attachment D).
- B. ePlus Contact Information:** For any questions or assistance with order development, processing, or other needs, please see Attachment F - ePlus Contact Information.
- B. Personal Property Lease Document Requirements:** The following documents must be submitted to the Lessor. All attachments (Except Attachment C - Agency Authorized Signature Certificate) are required for each lease under the Master Agreement.
- Attachment A: Asset Schedule
  - Attachment B: Acceptance Certificate(s)
  - Attachment C: Agency Authorized Signature Certificate (only with first purchase order)
  - Attachment D: Agency Invoicing Information Form
  - Attachment E: Consent to Assignment (for information only)

**C. Leasing Costs:**

**Example Only. For current quarterly rates, see attached leasing rate file on State's Procurement website for Statewide Contracts.**

Multiply Rental Rate Factor times Equipment purchase price to obtain periodic payment amount.

For example, a Schedule containing equipment with a purchase price of \$50,000 (without Pcard) would have the following periodic payment amounts:

\$50,000	X	0.031447	=	\$1,572.35 Monthly in arrears for three years
\$50,000	X	0.094933	=	\$4,746.65 quarterly in arrears for three years
\$50,000	X	0.183597	=	\$9,179.85 semi-annually in advance for three years
\$50,000	X	0.358893	=	\$17,644.65 annually in advance for three years

Rate Factors fixed from 7/02/01 through 9/30/01

The Rate factor may be adjusted each quarter, beginning 10/01/01. The change will be based upon the percentage of change in the Three (3) Year Treasury Bill Rate as shown in the Wall Street Journal as of the first business day of June 2001 to the rate shown on the first business day of September 2001. Subsequent quarterly adjustments will use a similar procedure and calculation method.

- D. Asset Schedule/Acceptance Certificate:** After receipt of the Assets (equipment and acknowledgement of any associated maintenance or services) from the Vendor, the State Agency (Lessee) will receive an Acceptance Certificate (Attachment B) from the Lessor together with a complete Asset Schedule (State Agency's initial purchase order to Lessor (Attachment A). An original of the Acceptance Certificate must be completed by the State Agency within ten (10) business days following delivery of the Assets and returned to the Lessor.
- E. Assignment of Payments:** After delivery and acceptance (and probably after at least the first payment), the Lessor may provide a Consent to Assignment (Attachment E) document to the Lessee (State Agency). The State Agency is authorized to acknowledge and approve the Consent to Assignment of future payments and return it to the Lessor.
- F. End of Lease Term Notices:** The Lessor (or its assigns) will provide two lease expiration notices to the State Agency at the end of the lease period. These notices will generally be provided to the billing address of the State Agency as listed on the Agency Invoice Information Form (Attachment D). The first notice will be provided ninety (90) calendar days prior to the end of the Schedule Term. Lessor will provide another notice to the State Agency forty (40) calendar days prior to the end of the Schedule Term. Unless the State Agency provides at least thirty (30) calendar days written notice of intent to extend the Initial Schedule Term (up to a maximum of one (1) additional year), the State Agency shall make the Assets available at a single location for pickup by the Lessor.
- G. Personal Property Taxes:** The Assets on the Schedules are subject to personal property taxes. The Lessor will initially pay any applicable personal property taxes. The State Agency will, upon receipt of satisfactory evidence of the amount of the taxes (copy of paid assessment or similar evidence), be required to reimburse the Lessor for the amount of personal property taxes paid by Lessor.
- H. Return of Equipment at End of Lease:** At the end of the Schedule Term it will be the State Agency's responsibility to make the Assets available to the Lessor. The State Agency will be responsible for de-installation of the Assets (i.e., FDISK or such other appropriate procedure to protect confidentiality of the information on the equipment), preparation for removal, and consolidation and placement at a single location. The Lessor will be responsible for packaging, pickup, and removal.

**Attachment A**

The form of this Attachment A shall be incorporated into each Purchase Order issued by Lessee.

**Asset Schedule**

1. INITIAL LEASE TERM: \_\_\_\_\_
2. RENT:  
    Applicable Lease Rate Factor: \_\_\_\_\_  
    Rent Frequency: \_\_\_\_\_  
    Rent Payment\*\*: \_\_\_\_\_  
    Payment processed by State of Idaho Purchasing Card: Yes/No
3. ASSET LOCATION.
4. TOTAL ASSET UNIT COST VALUE: \$ \_\_\_\_\_
5. FISCAL PERIOD. \_\_\_\_\_ to \_\_\_\_\_
6. ASSET DESCRIPTION.

\*\* Rent Payment equals the Lease Rate Factor multiplied by Total Asset Unit Cost Value.

This Purchase Order is issued pursuant to Master Agreement No. SBPO1202 ("Master Agreement") dated as of July 5, 2001 by and between the Lessee and Lessor stated below and the Acceptance Certificate to be executed upon acceptance of the Assets. By its signature hereon, Lessee represents it has read, understands, agrees to and reaffirms the Terms and Conditions of the Master Agreement, incorporated herein by reference, and the provisions of this Asset Schedule.

Upon execution of the Certificate of Acceptance this Purchase Order shall constitute the Asset Schedule between Lessor and Lessee.

Unless otherwise specified herein, the terms used in this Asset Schedule shall have the same meanings as used in the Master Agreement. Conflicts between the provisions of the Master Agreement, the Purchase Order set forth above and this Asset Schedule are governed by the provisions of this Asset Schedule.

**Lessor: ePlus Group, Inc.**

**Lessee: State of Idaho**  
**Public or State Agency:** \_\_\_\_\_

By: \_\_\_\_\_

BY: \_\_\_\_\_

NAME: \_\_\_\_\_

NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

**Attachment B**

**CERTIFICATE OF ACCEPTANCE**

Certificate of Acceptance under Schedule No. \_\_\_\_\_ to Master Agreement No. SBPO 1202 dated as of July 5, 2001 (collectively, the "Lease") between ePlus Group, inc. ("Lessor") and the State of Idaho, Public or State Agency: \_\_\_\_\_ ("Lessee"), relating to Purchase Order No. \_\_\_\_\_ dated as of \_\_\_\_\_

1. Asset(s). The Lessee hereby certifies that the Asset(s) set forth and described in the above mentioned Schedule (or detailed below if less than all Assets on a Schedule) have been delivered to the location(s) set forth in the Schedule, inspected by the Lessee, found to be in good order and accepted, all on the Date of Acceptance set forth below:

Date of Acceptance: \_\_\_\_\_, 20\_\_\_\_

2. Representations by the Lessee. The Lessee hereby represents and warrants to the Lessor and any Assignees that on the Date of Acceptance set forth above:

- (a) the representations and warranties of the Lessee set forth in the Schedule are true and correct in all material respects as though made on and as of such Date of Acceptance;
- (b) the Lessee has satisfied or complied with all requirements set forth in the Master Agreement or Schedule to be satisfied or complied with on or prior to such Date of Acceptance;
- (c) no Default under this Schedule has occurred and is continuing on such Date of Acceptance;
- (d) Lessee agrees that during the full Schedule Term it will not replace the leased Asset(s) with similar Asset(s) or services and will use it's best efforts to obtain the necessary funding to continue the Schedule in full force and effect; and
- (e) the provisions set forth herein are part of the contractual agreement between the parties and shall take precedence over the Master Lease Agreement and any provisions incorporated by reference therein.

LESSEE: State of Idaho,  
Public or State Agency: \_\_\_\_\_

BY \_\_\_\_\_

NAME \_\_\_\_\_

TITLE \_\_\_\_\_

**Attachment C**

**AGENCY AUTHORIZED SIGNATURE CERTIFICATE**

I, \_\_\_\_\_, do hereby certify that I am the authorized Agency director or agency head of the state of Idaho, State Agency or Public Agency detailed below ("Lessee"), and do hereby certify that any Asset Schedules executed pursuant to the Master Agreement SBPO 1202 for the Lessee may be executed, signed and endorsed by certain officers and employees of the Lessee, including those listed below.

I further certify that the officer(s) and/or employee(s) of this State or Public Agency whose name(s) and signature(s) appear below are authorized in the name and behalf of this State or Public Agency to enter into, execute and deliver Asset Schedules between ePlus Group, Inc. as Lessor and this State Agency as Lessee, and providing for the leasing to this Lessee of Asset(s) (as defined in said Master Agreement SBPO 1202), and to enter into, execute and deliver any Schedules, Riders, Amendments and other documents related thereto which may now or hereafter appear advisable, as evidenced by the signature of said officer(s) or employee(s) thereon.

State or Public Agency Name \_\_\_\_\_ Lessee

Individuals authorized to execute Asset Schedules:

NAME	TITLE	SIGNATURE
_____	_____	_____
_____	_____	_____
_____	_____	_____

State or Public Agency Director or Agency Head:

Signature \_\_\_\_\_

Name \_\_\_\_\_

**Attachment D**

**AGENCY INVOICING INFORMATION FORM**

Please help us provide a more efficient service to you by completing the information requested below and returning this form to us along with the Schedule, Acceptance Certificate, and any other necessary documentation.

Agency Name: \_\_\_\_\_

Billing Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Attn: \_\_\_\_\_

Accounts Payable Contact: Name \_\_\_\_\_ Phone ( 208 ) \_\_\_\_\_

Accounts Payable Supervisor: Name \_\_\_\_\_ Phone ( 208 ) \_\_\_\_\_

Federal Tax ID Number: 82-6000952 - State of Idaho

Agency Assigned Lease or Purchase Order No. \_\_\_\_\_

Special Invoicing Requirements:

Comment \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Attachment E**

**NOTICE AND ACKNOWLEDGMENT OF ASSIGNMENT**

Date \_\_\_\_\_

Bank Name \_\_\_\_\_  
Bank Address \_\_\_\_\_  
Bank Address \_\_\_\_\_

Re: Schedule No. \_\_\_\_\_ to Master Lease Agreement No. SBPO 1202 dated as of July 5, 2001 by and between ePlus Group, inc., as Lessor, and \_\_\_\_\_, as Lessee (hereinafter called the "Agreement").

Dear \_\_\_\_\_:

Notice is hereby given that the Lessor has made an assignment of Lessor's rights in, but none of its obligations under, the Agreement and the Asset(s) thereunder to \_\_\_\_\_(bank)\_\_\_\_\_ (the "Lender").

Lessee is hereby directed, and by signature below agrees, to pay directly to the Lender at the address set forth below, \_\_\_\_\_ ( ) consecutive \_\_\_\_\_ly payments beginning with the payment due \_\_\_\_\_ and other payments required to be paid by the Lessee under the terms of the Agreement including, but not limited to, payments, casualty, loss or termination payments, accelerated payments upon default, attorney's fees and expenses of collection and enforcement of the Agreement, all hereinafter referred to as "Payments".

All monies from time to time payable under the Agreement to the Lessor shall be paid to the \_\_\_\_\_(bank)\_\_\_\_\_ at its offices at \_\_\_\_\_(bank remit to address)\_\_\_\_\_, as follows: for Schedule \_\_\_\_\_; \_\_\_\_\_ ( ) consecutive \_\_\_\_\_ly payments of \$\_\_\_\_\_, commencing on \_\_\_\_\_.

Lessee, by signature below, acknowledges and agrees that (a) Lessee's obligations to make all Payments under the Agreement and the rights of Lender in and to such amounts, shall be absolute and unconditional and shall not be subject to any abatement, reduction, setoff, defense, counterclaim or recoupment whatsoever; (b) Lessee will not modify or consent to any modification of the terms of the Agreement or enter into any sublease of the Asset(s) without the prior written consent of the Lender, which consent shall not be unreasonably withheld; (c) the Agreement represents the sole agreement between Lessor and Lessee respecting the transactions contemplated in the Agreement, Asset(s), the payments, and all other payments due under the Agreement, and there have been no amendments or modifications to the Agreement; (d) the payments herein described are the final payments to be paid under the referenced Schedule(s) to the Agreement; (e) the Lender shall not have any affirmative obligation under the Agreement except to take no action to impair Lessee's quiet enjoyment and use of the Asset(s) so long as the Lessee is not in default under the terms of the Agreement; (f) there are no defaults under the Agreement.

Very truly yours,  
ePlus Group, inc.

Acknowledged by:

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Acknowledged by:  
Bank

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_



## ePlus Project Management Team

**Account Executive** - Responsible for over all account management including but not limited to initial relationship establishment, documentation negotiation, executive level interaction, and problem escalation and resolution.

Account Executive- Mark Caton  
(858)756-7568- Direct  
(619)807-0202- Cell  
[mcaton@eplus.com](mailto:mcaton@eplus.com)

**Account Manager** - Responsible for day to day account interaction, user assistance and problem resolution.

Team Leader- Sandra Lewis  
(703) 984-8172- Direct  
[slewis@eplus.com](mailto:slewis@eplus.com)

**Vice President of CRM** - Responsible for implementation process and ongoing operation of Procure+ and Manage+. Mindy will also be responsible for ongoing maintenance and upgrade of the Procure+ and Manage+ systems.

Vice President of Operations- Mindy Barton  
(703) 984-8190- Direct  
(703)675-0662- Cell  
[mbarton@eplus.com](mailto:mbarton@eplus.com)

**Manager of CRM**- Responsible for overseeing the day-to-day operations for all customers. Debra will ensure that the highest quality of customer service is achieved.

Manager of CRM – Debra Vaughn  
(703) 984-8050- Direct  
[dvaughn@eplus.com](mailto:dvaughn@eplus.com)

**Administrator** - A dedicated group of ePlus employees that will be led by the Account Manager to provide the State with the highest level of service. The team will be responsible for the day to day operations, which includes but is not limited to, Processing daily orders, reconciling/processing invoices and handling any issues with the customers may have.

Administrator- Sara Akhtar  
(703) 984-8167-direct  
[sakhtar@eplus.com](mailto:sakhtar@eplus.com)